

108TH CONGRESS  
1ST SESSION

# S. 405

To amend the Higher Education Act of 1965 to improve the loan forgiveness program for child care providers, including preschool teachers, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 13, 2003

Mr. DEWINE (for himself and Mr. DODD) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To amend the Higher Education Act of 1965 to improve the loan forgiveness program for child care providers, including preschool teachers, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Paul Wellstone Early  
5       Educator Loan Forgiveness Act”.

6       **SEC. 2. FINDINGS.**

7       Congress finds the following:

8               (1)(A) The first 5 years of a child’s life are a  
9       time of momentous change.

1 (B) Research shows that a child's brain size  
2 doubles between birth and age 3.

3 (2) New scientific research shows that the elec-  
4 trical activity of the brain cells actually changes the  
5 physical structure of the brain, and that without a  
6 stimulating environment, a baby's brain suffers.

7 (3) Research also indicates that there is a con-  
8 nection between the cognitive, social, emotional, and  
9 physical stimulation young children receive from  
10 their early childhood teachers and caregivers and  
11 success in learning, school readiness, and intellectual  
12 growth. There are important short- and long-term  
13 effects of that stimulation on cognition and social  
14 development.

15 (4) High quality early childhood education cor-  
16 relates with better language development, mathe-  
17 matics abilities, and social skills.

18 (5) 11,900,000 children younger than age 5  
19 spend part of their time with a child care provider  
20 other than a parent. By 2000, 64 percent of 3- to  
21 5-year-olds were enrolled in some type of preschool  
22 program. Demand for child care is growing as more  
23 mothers enter the workforce.

24 (6) Good quality child care, in a healthy and  
25 safe environment, with trained, caring providers who

1 provide age-appropriate, developmentally appro-  
2 priate, and effective activities, helps children grow  
3 and thrive. Recent research shows that most child  
4 care needs significant improvement.

5 (7) Good quality child care depends largely on  
6 the provider, yet providers of child care earn on av-  
7 erage \$7.86 per hour, or \$16,350 per year. Such  
8 earnings cause high annual turnover, up to 31 per-  
9 cent of the staff in some child care programs. High  
10 turnover affects the overall quality of a child care  
11 program and causes anxiety for children.

12 (8) Children attending lower quality child care  
13 programs and child care programs with high staff  
14 turnover are less competent in language and social  
15 development than other children.

16 (9) The quality of child care is primarily related  
17 to high staff-to-child ratios, staff education, profes-  
18 sional development, and administrators' prior experi-  
19 ence. In addition, certain characteristics distinguish  
20 poor, mediocre, and good quality child care pro-  
21 grams, the most important of which are teacher  
22 wages, education, and specialized training.

23 (10) Each State requires kindergarten teachers  
24 to hold at least a bachelor's degree and certificate in  
25 early childhood education. Only 20 States and the

1 District of Columbia require teachers in prekindergarten  
 2 programs to satisfy those requirements. Thirty  
 3 States allow caregivers with no previous training  
 4 to work in child care programs.

5 **SEC. 3. LOAN FORGIVENESS FOR CHILD CARE PROVIDERS.**

6 Section 428K of the Higher Education Act of 1965  
 7 (20 U.S.C. 1078–11) is amended to read as follows:

8 **“SEC. 428K. LOAN FORGIVENESS FOR CHILD CARE PRO-**  
 9 **VIDERS.**

10 “(a) PURPOSES.—The purposes of this section are—

11 “(1) to bring more highly trained individuals  
 12 into the early child care profession; and

13 “(2) to keep more highly trained child care pro-  
 14 viders in the early child care field for longer periods  
 15 of time.

16 “(b) DEFINITIONS.—In this section:

17 “(1) CHILD CARE FACILITY.—The term ‘child  
 18 care facility’ means a facility, including a home,  
 19 that—

20 “(A) provides child care services; and

21 “(B) meets applicable State or local gov-  
 22 ernment licensing, certification, approval, or  
 23 registration requirements, if any.

24 “(2) CHILD CARE SERVICES.—The term ‘child  
 25 care services’ means activities and services provided

1 for the education and care of children from birth  
2 through age 5 by an individual who has a degree  
3 in early childhood education, including a preschool  
4 teacher.

5 “(3) DEGREE.—The term ‘degree’ means an as-  
6 sociate’s or bachelor’s degree awarded by an institu-  
7 tion of higher education.

8 “(4) EARLY CHILDHOOD EDUCATION.—The  
9 term ‘early childhood education’ means education in  
10 the area of early child development and education,  
11 or any other educational area related to early child  
12 development and education or child care, that the  
13 Secretary determines to be appropriate.

14 “(5) ELIGIBLE PRESCHOOL PROGRAM PRO-  
15 VIDER.—The term ‘eligible preschool program pro-  
16 vider’ means a preschool program provider serving  
17 children younger than the age of compulsory school  
18 attendance in the State that is—

19 “(A) a public or private school;

20 “(B) a provider that is supported, spon-  
21 sored, supervised, or administered by a local  
22 educational agency;

23 “(C) a Head Start agency designated  
24 under the Head Start Act (42 U.S.C. 9831 et  
25 seq.);

1 “(D) a nonprofit or community-based orga-  
 2 nization; or

3 “(E) a licensed child care center or family  
 4 child care provider.

5 “(6) INSTITUTION OF HIGHER EDUCATION.—  
 6 Notwithstanding section 102, the term ‘institution of  
 7 higher education’ has the meaning given the term in  
 8 section 101.

9 “(7) PRESCHOOL TEACHER.—The term ‘pre-  
 10 school teacher’ means an individual—

11 “(A) who has received at least an associ-  
 12 ate’s degree in early childhood education and  
 13 who is working toward or who has already re-  
 14 ceived a bachelor’s degree in early childhood  
 15 education; and

16 “(B) who works for an eligible preschool  
 17 program provider supporting the children’s cog-  
 18 nitive, social, emotional, and physical develop-  
 19 ment to prepare the children for the transition  
 20 to kindergarten.

21 “(c) LOAN FORGIVENESS.—

22 “(1) IN GENERAL.—The Secretary may carry  
 23 out a program of assuming the obligation to repay,  
 24 pursuant to subsection (d), a loan made, insured, or  
 25 guaranteed under this part, part D (excluding loans

1       made under sections 428B and 428C or comparable  
 2       loans made under part D), or part E for any new  
 3       borrower after the date of enactment of the Higher  
 4       Education Amendments of 1998, who—

5               “(A) receives a degree in early childhood  
 6       education;

7               “(B) obtains employment in a child care  
 8       facility, such as employment as a preschool  
 9       teacher; and

10              “(C) has been employed full time, for the  
 11       2 consecutive years preceding the year for  
 12       which the determination is made, as a provider  
 13       of child care services in a child care facility in  
 14       a low-income community.

15              “(2) LOW-INCOME COMMUNITY.—In this sub-  
 16       section, the term ‘low-income community’ means a  
 17       community in which 70 percent of households earn  
 18       less than 85 percent of the State median household  
 19       income.

20              “(3) AWARD BASIS; PRIORITY.—

21              “(A) AWARD BASIS.—Subject to subpara-  
 22       graph (B), loan repayment under this section  
 23       shall be on a first-come, first-served basis and  
 24       subject to the availability of appropriations.

1           “(B) PRIORITY.—The Secretary shall give  
 2           priority in providing loan repayment under this  
 3           section for a fiscal year to student borrowers  
 4           who received loan repayment under this section  
 5           for the preceding fiscal year.

6           “(4) REGULATIONS.—The Secretary is author-  
 7           ized to prescribe such regulations as may be nec-  
 8           essary to carry out the provisions of this section.

9           “(d) LOAN REPAYMENT.—

10           “(1) IN GENERAL.—The Secretary shall assume  
 11           the obligation to repay—

12           “(A) after the second consecutive year of  
 13           employment described in subparagraphs (B)  
 14           and (C) of subsection (c)(1), 20 percent of the  
 15           total amount of all loans described in subsection  
 16           (c)(1) and made after the date of enactment of  
 17           the Higher Education Amendments of 1998, to  
 18           a student;

19           “(B) after the third consecutive year of  
 20           such employment, 20 percent of the total  
 21           amount of all such loans; and

22           “(C) after each of the fourth and fifth con-  
 23           secutive years of such employment, 30 percent  
 24           of the total amount of all such loans.



1           “(2) CONSTRUCTION.—Nothing in this section  
2           shall be construed to authorize the refunding of any  
3           repayment of a loan made, insured, or guaranteed  
4           under this part, part D, or part E.

5           “(3) INTEREST.—If a portion of a loan is re-  
6           paid by the Secretary under this section for any  
7           year, the proportionate amount of interest on such  
8           loan that accrues for such year shall be repaid by  
9           the Secretary.

10          “(4) SPECIAL RULE.—In the case in which a  
11          student borrower who is not participating in loan re-  
12          payment pursuant to this section returns to an insti-  
13          tution of higher education after graduation from an  
14          institution of higher education for the purpose of ob-  
15          taining a degree in early childhood education, the  
16          Secretary is authorized to assume the obligation to  
17          repay the total amount of loans described in sub-  
18          section (c)(1) and incurred for a maximum of 2 aca-  
19          demic years in returning to the institution of higher  
20          education for the purpose of obtaining the degree in  
21          early childhood education. Such loans shall only be  
22          repaid for borrowers who qualify for loan repayment  
23          pursuant to the provisions of this section, and shall  
24          be repaid in accordance with the provisions of para-  
25          graph (1).

1           “(5) INELIGIBILITY OF NATIONAL SERVICE  
2       AWARD RECIPIENTS.—No student borrower may, for  
3       the same service, receive a benefit under both this  
4       section and subtitle D of title I of the National and  
5       Community Service Act of 1990 (42 U.S.C. 12601  
6       et seq.).

7           “(e) REPAYMENT TO ELIGIBLE LENDERS AND  
8       HOLDERS.—The Secretary shall pay to each eligible lend-  
9       er or holder for each fiscal year an amount equal to the  
10      aggregate amount of the lender’s or holder’s loans that  
11      are subject to repayment pursuant to this section for such  
12      year.

13          “(f) APPLICATION FOR REPAYMENT.—

14               “(1) IN GENERAL.—Each eligible individual de-  
15      siring loan repayment under this section shall sub-  
16      mit a complete and accurate application to the Sec-  
17      retary at such time, in such manner, and containing  
18      such information as the Secretary may require.

19               “(2) CONDITIONS.—An eligible individual may  
20      apply for loan repayment under this section after  
21      completing each of the second through the fifth con-  
22      secutive years of qualifying employment described in  
23      subsection (d)(1). The borrower shall receive for-  
24      bearance while engaged in qualifying employment

1 described in subsection (d)(1) unless the borrower is  
2 in deferment while so engaged.

3 “(g) EVALUATION.—

4 “(1) IN GENERAL.—The Secretary shall con-  
5 duct, by grant or contract, an independent national  
6 evaluation of the impact of the program assisted  
7 under this section on the field of early childhood  
8 education.

9 “(2) COMPETITIVE BASIS.—The grant or con-  
10 tract described in paragraph (1) shall be awarded on  
11 a competitive basis.

12 “(3) CONTENTS.—The evaluation described in  
13 this subsection shall—

14 “(A) determine the number of individuals  
15 who were encouraged by the program assisted  
16 under this section to pursue early childhood  
17 education;

18 “(B) determine the number of individuals  
19 who remain employed in a child care facility as  
20 a result of participation in the program;

21 “(C) identify the barriers to the effective-  
22 ness of the program;

23 “(D) assess the cost-effectiveness of the  
24 program in improving the quality of—

25 “(i) early childhood education; and

1 “(ii) child care services;

2 “(E) identify the reasons why participants  
3 in the program have chosen to take part in the  
4 program;

5 “(F) identify the number of individuals  
6 participating in the program who received an  
7 associate’s degree and the number of such indi-  
8 viduals who received a bachelor’s degree; and

9 “(G) identify the number of years each in-  
10 dividual participated in the program.

11 “(4) INTERIM AND FINAL EVALUATION RE-  
12 PORTS.—The Secretary shall prepare and submit to  
13 the President and Congress such interim reports re-  
14 garding the evaluation described in this subsection  
15 as the Secretary determines to be appropriate, and  
16 shall prepare and so submit a final report regarding  
17 the evaluation by January 1, 2007.

18 “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
19 are authorized to be appropriated to carry out this section  
20 \$25,000,000 for fiscal year 2004, and such sums as may  
21 be necessary for each of the 4 succeeding fiscal years.”.

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